

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:3192
ANSWERED ON:14.08.2003
FDI IN RADIO
RAM VILAS PASWAN

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether in accordance with the policy guidelines applicable to foreign investment in Radio, no foreign direct investment is permitted and that only Financial Institutions are allowed to investment upto 20% of the total equity of Radio station;
- (b) if so, whether the Radio City operated and financed by Rupert Murdoch promoted Star TVGroup has been allowed to continue and hold licence; and
- (c) if so, the compulsions for overlooking the laid down guidelines permitting the Star Group to acquire stake to operate and manage a Radio station in the country?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI RAVI SHANKAR PRASAD)

- (a) Eligibility conditions for private FM broadcasting require that the company should be registered in India under the Companies Act, 1956, all the shareholding to be held by Indians except for limited portfolio investment by FIIs, NRIs, PIOs and OCBs subject to such ceiling as may be prescribed by Ministry of Finance, from time to time, which is presently pegged at 20%.
- (b) Licences have been granted to M/s Music Broadcast Private Limited (MBPL) for operating Radio stations, having Channel Identity 'Radio City'
- (c) Guidelines are followed when permitting applicants to operationalise and manage a radio station. M/s MBPL had applied for licence and as they fulfilled the eligibility criteria, they were permitted to participate in the auction and on being successful bidders, licences were given for operating FM stations at Bangalore, Lucknow, Mumbai, Delhi, Nagpur & Patna. The company has since operationalised stations at Bangalore, Lucknow, Mumbai & Delhi. This Ministry has received complaints regarding M/s Music Broadcast Pvt Ltd being indirectly promoted by the Star TV Group, owned by Mr. Rupert Murdoch. These issues are being examined, in consultation with Department of Company Affairs and Ministry of Law.